

Appendix F—Brief Summary of the A-76 Decision Process

This appendix presents major decision events required by the law, OMB Circular A-76, Revised Supplemental Handbook (NOTAL), and the Federal Acquisition Regulation (FAR). Its intent is to briefly summarize the more common actions that occur during CA studies.

1. Plan for CA Study:

a. Ten or fewer FTE (Note: This is a management decision and not appealable under CA administrative appeal procedures.):

(1) Non-preferred source: Activities may begin direct conversion to contract without congressional notification if:

(a) The activity commander has attempted to place all affected civilian employees in a position at their present installation, or within the local area, commensurate with their current skills and pay grades.

(b) All affected civilian employees are retrained for existing or projected vacancies within the local commuting area.

(2) Preferred source¹:

(a) Activities may immediately begin conversion to contract or Interservice Support Agreement (ISSA).

b. Eleven to 50 FTE:

(1) The Navy announces this action to Congress as a courtesy.

(2) Activities will conduct a CA study to formulate the MEO and conduct a cost comparison.

c. Fifty-one or more FTE:

(1) The Navy announces this action to Congress as required by law.

¹ Preferred sources include National Industries for the Severely Handicapped, National Industries for the Blind, Federal Prison Industries, and 51 percent Native American ownership.

(2) Activities will conduct a CA study to formulate the MEO and conduct a cost comparison.

2. Develop PWS and QASP

3. Review and Revise PWS and QASP

4. Obtain Higher Level Approval of PWS and QASP

5. Conduct Pre-solicitation Actions (except for Streamlined Cost Comparison)

6. Prepare and Issue Solicitation:

a. Eleven to 65 FTE: Under Streamlined CA procedures, activities may conduct bid solicitation during 14. Select Best Value Offer if the government's adjusted total In-House Cost Estimate is greater than the range of adjusted total contract or ISSA cost estimates. Alternatively, activities may issue solicitation during 10. Evaluate Proposals if 4 or more comparable agency contracts or ISSA's are not available.

b. More than 65 FTE: Activities will conduct formal solicitation as required by the FAR.

7. Develop the Management Plan:

a. Ten or fewer FTE: Activities will base their in-house costs on the current organization, which is assumed to be the MEO, and no management plan is required. Activities will calculate labor, material, overhead, and contract support costs in accordance with the provisions of the OMB Circular A-76, Revised Supplemental Handbook (NOTAL).

b. Eleven or more FTE: Activities will conduct a CA study to formulate the MEO and conduct a cost comparison.

8. Issue and Receive Responses to Solicitation

9. Perform Independent Review

10. Evaluate Proposals:

a. One to 65 FTE: After receipt of the certified In-House Cost Estimate, the contracting officer will develop a range of contract cost estimates based on not less than four comparable agency service contracts or ISSA's. Activities should make adjustments for differences in scope. If four or more contracts or ISSA's are not available, the contracting officer may issue a solicitation for bids and the agency will conduct a cost comparison as provided for in the OMB Circular A-76, Revised Supplemental Handbook (NOTAL).

b. More than 65 FTE: Activities will conduct a formal Source Selection as required by the FAR.

11. Obtain Pre-negotiation Clearance Approval (Not required for one to 65 FTE)

12. Conduct Discussions With Offerors (Not required for one to 65 FTE)

13. Obtain Final Clearance Approval (Not required for one to 65 FTE)

14. Select Best Value Offer:

a. One to 65 FTE: The contracting officer will adjust the range of estimated contract costs in compliance with the requirements of OMB Circular A-76, Revised Supplemental Handbook's streamlined cost comparison procedures. The contracting officer will then compare the Adjusted Total Cost of In-House Performance with the Adjusted Total Cost of Contract or ISSA performance.

b. More than 65 FTE: Conduct bid opening procedures as required by the FAR.

15. Make Tentative Decision (Compare Government and Contractor Proposal):

a. If the Government's adjusted total In-House Cost Estimate is greater than the range of adjusted total contract bid or ISSA cost estimate, the contracting officer will, respectively, announce a tentative decision to award to contractor or enter into an ISSA.

b. Activities will offer Right of First Refusal of Employment to employees adversely affected by contract or ISSA award and who are not considered procurement officials.

c. If the government's adjusted total In-House Cost Estimate is below or within the range of adjusted total contract or ISSA cost estimates, the contracting officer will announce a tentative decision of award to the In-house organization.

16. Conduct Administrative Appeal Period. Upon notification of adversely affected employees and publication of the tentative decision in the Commerce Business Daily, the activity will initiate its Administrative Appeal period.

17. Make Final Decision:

a. Send Activity Final Decision Report to CNO (N4).

b. If final decision results in contractor operation:

(1) The activity will coordinate with CNO (N4) to make congressional notification of intent to contract in accordance with 10 U.S.C. 2461 and the Annual DoD Appropriations Act.

(2) Once the CNO (N4) informs the activity that congressional notification is complete the contracting officer awards the contract.

(3) Activity will begin transition to contract operations.

c. If final decision results in in-house operation:

(1) Begin MEO implementation within 30 days of decision.

(2) Conduct Post-MEO Performance Review at the 1-year point.